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November 4, 2015

TO: Each Supervisor

FROM: Cynthia A. Harding, M.P.H.
Interim Director

A handwritten signature in blue ink that reads "Cynthia A. Harding". The signature is written in a cursive style with a large, looped "H" and a long, sweeping tail.

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE THREE NEW SOLE SOURCE CONTRACTS WITH JOHN WESLEY COMMUNITY HEALTH INSTITUTE, INC.**

This is to notify you that the Department of Public Health (DPH) has begun sole source contract negotiations with John Wesley Community Health Institute, Inc. (JWCH), as a result of the termination of three HIV/AIDS contracts with the City of Pasadena Public Health Department (COP) for the provision of benefit specialty services (BSS), mental health-psychotherapy (psychotherapy) and mental health-psychiatry (psychiatry) services. COP has requested that its contracts be terminated and that the provision of services be assigned and delegated to JWCH.

This notice is being sent in accordance with revised Board Policy 5.100, which states that County departments that intend to negotiate sole source service contracts for Board approval must provide advance written notice to your Board at least four (4) weeks prior to commencing contract negotiations for new contracts. However, as your Board recently adopted the revised policy on August 4, 2015, DPH is unable to meet the policy's notification timeframe for this particular action. In order to ensure no break in services, DPH has begun negotiations with JWCH regarding the new contracts.

Background

On March 26, 2015 and July 13, 2015, COP notified DPH of its intent to terminate seven (7) HIV/AIDS service contracts and assign the contracts to JWCH. COP representatives confirmed to DPH that the agency was moving away from the provision of direct care and treatment services for a cross section of diseases in order to focus on core public health functions. COP will no longer offer HIV/AIDS programs, with the exception of HIV testing services. This decision was made as a result of significant financial challenges faced by COP, which were exacerbated by the impact of the Affordable Care Act. COP has received confirmation from JWCH indicating willingness to assume responsibility for these services and to incorporate programs into its current operation, effective date of Board approval.

Subsequently, on June 19, 2015, your Board approved the termination of one (1) of the seven (7) contracts with the COP for the provision of Home-Based Case Management Services effective September 30, 2015. DPH will return to your Board to terminate the remaining six (6) contracts with COP and enter into three (3) new sole source contracts and increase funding to three (3) existing contracts with JWCH.

Justification to Enter into Sole Source Contracts

As referenced above, COP notified DHSP of its intent to relinquish seven (7) HIV/AIDS contracts and its recommendation to delegate those contracts to JWCH. DPH will seek Board approval to enter into three (3) new sole source contracts for the provision of psychiatry, psychotherapy, and BSS services to be delivered in Service Planning Area (SPA) 3. Transferring and reassigning the COP HIV/AIDS services contracts to JWCH ensures that clients and their families residing within SPA 3 and its surrounding areas will have uninterrupted and continued access to effective and efficient HIV/AIDS services, to be provided by staff based at Pasadena's Andrew Escajeda Clinic. Furthermore, COP held client forums to notify the community of its intent to cease provision of direct care and treatment services, to discuss the needs of all clients and community partners, and to gather input on the situation through its Client Advisory Board. COP considered many factors in choosing the appropriate agency for assignment and delegation of its contracts including, but not limited to: extensive experience delivering HIV/AIDS services; a proven track record working with specialized populations including the homeless, women, and communities of color; federally qualified health center status and the ability to bill Medi-Cal, Medicare, and various health plans; and the willingness to maintain service space at the same location to ensure continuity of care, as well as explore options to bring aboard existing COP clinic staff. DPH supports delegation of the contracts, as the role of JWCH is to ensure that HIV/AIDS services are continuously available to all residents of SPA 3 and its surrounding areas. COP and JWCH have been working closely with DPH to ensure that all necessary documents are in place and that the transition of clients will be smooth, with no interruption in services.

Under the forthcoming Board letter, DPH will also seek Board approval to amend three (3) existing HIV/AIDS contracts with JWCH for the provision of ambulatory outpatient medical (AOM), medical care coordination (MCC) and oral health care (OHC) services as a result of the termination of these contracts by COP and its request that the provision of these services also be assigned and delegated to JWCH. Since JWCH currently provides AOM, MCC, and OHC services, DPH is not recommending new contracts. Instead, DPH is recommending that the current JWCH contracts are enhanced with additional funding to allow JWCH to serve clients in Pasadena and SPA 3 area that were previously served by COP. These additional funds exceed current delegated authority to increase funding up to 25 percent, and thus require Board approval.

Impact to DPH if Sole Source Agreements are Not Approved

If the sole source contracts are not approved, persons living with HIV/AIDS in Pasadena and the surrounding SPA 3 service delivery area will not receive those services previously provided by COP. Those clients living with HIV/AIDS who require BSS and mental health services will need to rely on services outside of SPA 3, potentially impacting continuity of care.

Alternative Plan

DPH could rely on multiple existing providers to provide BSS and mental health services to clients formerly served by COP in SPA 3. This approach would require a detailed and resource-consuming assessment of providers and their capacity to deliver additional services in SPA 3. Developing and implementing a plan to re-distribute these services among different providers could create a short and medium term service gap.

Timeline

DPH has entered into negotiations regarding new sole source contracts with JWCH. The Board letter requesting approval to terminate contracts with COP and enter into three (3) new sole source contracts with JWCH, as a result of assignment and delegation from COP, is projected for the Board meeting of December 1, 2015, for services effective date of Board approval through February 28, 2017 and/or March 31, 2017.

If you have any questions or require additional information, please let me know.

CAH:jc

c: Chief Executive Officer
Interim County Counsel
Acting Executive Officer, Board of Supervisors